

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

MILL POND ASSOCIATES  
LIMITED PARTNERSHIP,

*Plaintiff,*

v.

THE BANK OF NEW YORK,

*Defendant, and  
Third-Party Plaintiff,*

v.

RELIANCE INSURANCE COMPANY  
OF ILLINOIS; RELIANCE INSURANCE  
COMPANY; THE MUNICIPAL BOND  
INVESTORS ASSURANCE CORPORATION;  
ANNE ARUNDEL COUNTY, MARYLAND;  
and THE ARTERY GROUP LLC,

*Third-Party Defendants.*

Civil Action No. PJM-98-1050

"APPROVED" THIS 16 DAY OF

Dec, 19 99

PETER J. MESSITTE  
UNITED STATES DISTRICT JUDGE

**NOTICE OF VOLUNTARY DISMISSAL**

Pursuant to Rules 41(a)(1) and 41(c) of the Federal Rules of Civil Procedure, Defendant and Third-Party Plaintiff The Bank of New York gives notice that it is dismissing its third-party claims against Reliance Insurance Company of Illinois ("Reliance of Illinois"). Reliance of Illinois has not yet served a responsive pleading to BNY's third-party complaint, and evidence has not been introduced at a trial or hearing before this Court on the coverage issues in dispute.

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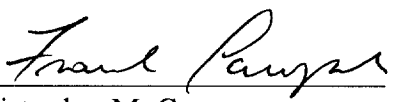
BNY's dismissal of its claims against Reliance of Illinois is based upon a settlement between these parties of the adversary proceeding BNY filed against Reliance of Illinois in the United States Bankruptcy Court for the Southern District of Florida. A copy of the bankruptcy court's approval of the settlement, dated August 24, 1999, is attached hereto at Tab A. The settlement and this dismissal does not in any way affect or alter the pendency of BNY's third-party claims against Reliance Insurance Company, which is a separate insurance company from Reliance of Illinois and is not a party to the settlement agreement, or any other third-party claims or counterclaims asserted by BNY.

BNY's dismissal of its claims against Reliance of Illinois is with prejudice. Each party is to bear its respective attorneys fees and costs, without prejudice to BNY's rights to recover its respective costs from any or all of the other parties to this action.

Dated: Washington, D.C.  
December 14, 1999

Respectfully submitted,

**WHITE & CASE**  
LIMITED LIABILITY PARTNERSHIP

By:   
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*Attorneys for Defendant  
The Bank of New York*

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA

THE BANK OF NEW YORK, Trustee,

Adv. Proc. No. 98-2060-BKC-RBR-A

Plaintiff,

v.

LUCY C. DIBRACCIO, as Chapter 7  
Trustee of the Estate of HOMEOWNERS  
FINANCIAL CORPORATION, a Delaware  
corporation, et al.,

Defendants.

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In re:DEVELOPERS MORTGAGE CORPORATION,  
a Maryland corporation,  
TAX I.D. NO. 52-1059023Case No. 97-27015-BKC-RBR  
Chapter 7[Substantively consolidated with  
In re Homeowners Financial  
Corporation and Homeowners  
Funding Corporation of America]**ORDER APPROVING SETTLEMENT WITH  
DEFENDANT, RELIANCE ILLINOIS**

THIS ADVERSARY PROCEEDING was before the Court for approval of a proposed settlement among plaintiff, THE BANK OF NEW YORK ("BNY"), and cross-plaintiff SONYA SALKIN, Chapter 7 Trustee ("Trustee") of the substantively-consolidated Estates of HOMEOWNERS FINANCIAL CORPORATION ("HFC"), HOME OWNERS FUNDING CORPORATION OF AMERICA ("HOFCA") and DEVELOPERS MORTGAGE CORPORATION ("DMC"), as parties of the first part, and defendant RELIANCE INSURANCE COMPANY OF ILLINOIS, as the party of the second part.

Notice of the proposed settlement having been given in accordance with Local Rule 9013-1(D), and no party having responded or filed a certificate of contested matter, it is hereby ORDERED

Adv. Proc. No. 98-2060-BKC-RBR-A

that:

1. The "Settlement Agreement and Full Policy Release" attached to the motion is approved.

2. All claims and cross-claims brought by BNY and the Trustee against Reliance Illinois, and all counterclaims brought by Reliance Illinois against BNY and the Trustee, are hereby dismissed with prejudice.

3. Each of the settling parties shall bear its respective attorney's fees and costs with regard to all claims and matters between the parties of the first part and the party of the second part.

4. The Court retains jurisdiction to enforce the terms of the settlement agreement.

DONE AND ORDERED in Chambers at Fort Lauderdale, Florida, this 24 day of August, 1999.

**RAYMOND B. RAY**

Raymond B. Ray  
United States Bankruptcy Judge

Conformed copy furnished to:  
Vance E. Salter, Esq., who upon  
~~receipt shall distribute~~ a  
conformed copy of this Order to  
counsel of record, and who  
shall file a notice certifying  
such service.

**CERTIFICATE OF SERVICE**

I hereby certify that on the 14<sup>th</sup> day of December, 1999, a copy of the foregoing Notice of Voluntary Dismissal was served on the following by first-class mail, postage pre-paid:

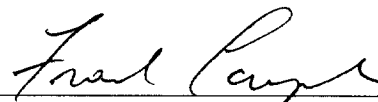
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Frank Panopoulos